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Istook Responds to State Request for Tobacco Tax Help

But Says Governor's Actions May Make It Impossible

Washington, DC -- Responding immediately to a request from the Oklahoma Tax Commission, Rep. Ernest Istook (R - Warr Acres) says he'll try to get federal help in enforcing Oklahoma's troubled tobacco taxes. But, he says, it may not be possible because of loopholes in the compacts that Gov. Brad Henry negotiated with Indian tribes.

Monday, Istook received the Tax Commission's letter to him and the rest of the Oklahoma delegation in Washington, asking for help because the state is losing over \$2 million each month. The same day, Istook began work with the federal Bureau of Alcohol, Tobacco and Firearms to see if federal aid is possible. Istook also sent a letter to the Oklahoma Tax Commission advising that he had been successful in getting similar assistance several years ago, but that changes in state compacts with Indian tribes might make it impossible to get similar aid today.

As Istook's letter states:

"The new tobacco agreements approved by the governor and his lead negotiator (now the state treasurer) evidently contain serious flaws that might make federal help impossible because of new enforcement loopholes created by those compacts. For example, permitting 6-cent stamps on some cigarette packs may be such an enormous loophole that no federal enforcement is possible, just as state enforcement has been damaged. Nevertheless, I will do my best to help untangle the problem and get the federal assistance that you have requested."

In a separate comment, Istook added:

"The people who negotiated these agreements have created a multi-million dollar nightmare. They may have cost us the ability to get federal help to enforce our state tax laws involving tribal businesses. I don't know if anyone can fix the mess the governor and his negotiator have made, but of course I'll try to help."

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